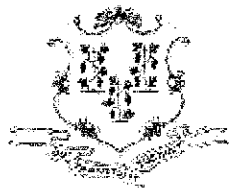


STATE OF CONNECTICUT

Governor M. Jodi Rell's Task Force on Contracting Reform



PERSONAL SERVICE AGREEMENTS WORKING GROUP

PRELIMINARY REPORT

August 16, 2004

MEMBERS

Marc S. Ryan (chair)
Gareth Bye, Esq. (designee)
Office of Policy and Management

Senator Andrew Roraback
CT General Assembly

John Pavia, Esq.
R. R. Donnelly and Sons Co.

Valerie Joyner
Department of Transportation

James Neil
Department of Administrative Services

Summary

A *Personal Service Agreement* (PSA) is a duly executed and legally binding contract that defines the services or end products to be delivered by a contractor to an executive branch agency (hereafter "state agency"). It is one of the primary mechanisms used by the State for procurement purposes. Typically, a PSA is used to purchase infrequent and non-routine services or end products, such as specialized health health services, technical assistance, and training.¹

State agencies wishing to enter into a PSA must adhere to the requirements set forth in the Connecticut General Statutes.² The statutes also require the Office of Policy and Management (OPM) to establish standards for state agencies to follow when entering into a PSA and further require each agency to establish written procedures for implementing the standards established by OPM. Before entering into a PSA, an agency's written procedures must be approved by OPM. The express purpose of these laws, standards, and procedures is to bring uniformity, control, and accountability to the PSA process.

The standards established by OPM are not static, as they are updated periodically. The current standards, entitled *Personal Service Agreements*, were updated and issued in September 2002. Since then, OPM's Secretary recognized the need to provide more guidance to agencies on how to conduct a Request For Proposals process and how to comply with other aspects of the PSA process. During the last two years, OPM staff have been working on a major update and revision of the standards, which will be issued and implemented in the immediate future. Drafts of the revised standards, entitled *Personal Service Agreements: Standards and Procedures*, have been distributed to multiple agencies – including the Office of the Attorney General and the Auditors of Public Accounts – for review and comment since December 2003. [Copies of the current and revised standards are available in the Appendix: Other Source Documents, A and B.]

The PSA Working Group has concluded that achieving the goal of an open, honest, and fair contracting process rests on the underlying strength of the process itself – that is, its administrative policies, standards, and procedures, and its personnel. Moreover, the current process already includes some of the specific ideas that Governor Rell asked the Task Force to consider in its effort to reform State contracting (e.g., the evaluation of proposals and contractor performance, and the maintenance of records pertaining to contractor selection). There is no hard evidence that the current PSA process is not essentially sound. It includes many precautionary measures to ensure open, honest, and fair conduct.

¹ A PSA is different from a Purchase of Service (POS) contract, which is used to purchase ongoing and routine human services for clients of the State from private providers, such as residential client care for the Department of Mental Retardation (DMR), halfway house beds for the Department of Correction (DOC), and shelter, transitional living and child care services for the Department of Social Services (DSS). A PSA also differs from a Purchase Order (PO), which is used to procure "contractual services," such as janitorial services, printing services, security services, and the like.

² Title 4, Chapter 55a, Part II, Sections 212 thru 219, inclusive.

That said, the Working Group is proposing improvement in the following areas: (1) the knowledge and understanding of the PSA process in agencies; (2) the quality and quantity of agency staff responsible for the contracting function; (3) the evaluation of the need for a PSA, the evaluation of proposals submitted in response to a Request For Proposal (RFP), and the evaluation of contractor performance at mid-term and post-term of the contract; (4) the standardization of routine components of PSA contracts; and (5) the availability and use of data in order to promote greater transparency in the contracting process. As these areas are interconnected and interdependent, the quality of one directly affects the quality of the others. None is more important than another and all must be addressed to ensure that a sound process is in place – a process that will provide the foundation for the ethical and more effective conduct of the State's business.

Finally, the Working Group also considered the proposed creation of an oversight board for large State contracts. Our thoughts on the proposal are presented under item (6).

It is important to note that the issues identified in this report are not based on a systematic analysis, evaluation, or study of the current PSA process. The short timeline did not allow for such work to be done. Rather, the Working Group's "issue spotting" was accomplished through a brainstorming session held in conjunction with selected user agencies, whose experiences – both positive and negative – with the current PSA process may or may not be representative of other executive branch agencies. An in-depth examination of the overall process would be necessary to validate that the issues identified in this report are real, significant, and systemic.

Issue No. 1 – Current PSA Process

<i>Current situation:</i>	The knowledge and understanding of established policies, standards, and procedures pertaining to PSAs varies across agencies. This situation has three primary manifestations: (1) agencies use PSAs for unintended purposes; (2) agencies use other procurement mechanisms, such as purchase orders, instead of a PSA when required; or (3) agencies do not follow the established PSA process, in whole or in part.
<i>Problem:</i>	When agencies fail to follow the established policies, standards, and procedures, the process for selecting and managing contractors (etc.) varies from agency to agency. Such variation may result in unlawful contracts, insufficient oversight of agency expenditures, lack of accountability and control, and other related problems.
<i>Cause of problem:</i>	(1) Although not reported as a widespread problem, some agencies have attempted to circumvent the State's hiring rules and procedures by contracting with outside individuals, using PSAs, to do work that is more appropriately performed by state employees. Paying individuals as independent contractors when the individuals should be paid as employees is illegal under federal law and renders the State and agency liable to pay the required employment taxes and any imposed penalties. OPM's standards currently require agencies to determine whether or not an employee/employer relationship would exist. (2) Agencies may find the PSA rules too difficult or time-consuming to implement, especially when the number of contracting staff has been reduced due to layoffs or early retirement. Alternative contracting mechanisms may offer an easier and faster means of procurement, especially when alternative procurement methods allow them to avoid review and approval by DAS, OPM, and the AG's Office. (3) Agencies may have not done adequate "succession planning," i.e., training the next generation of contracting staff. New and inexperienced staff may be unaware of "the rules" governing PSAs or be insufficiently trained to follow them. [See Issue No. 2 – Staff Capacity]
<i>Recommendations for improvement:</i>	<ul style="list-style-type: none">▪ OPM will issue its revised standards for PSAs, entitled <i>Personal Service Agreements: Standards and Procedures</i>. [See Appendix: Other Source Documents, B.] Agencies will establish written procedures to implement OPM's revised standards.▪ Re-instruct agencies on how to determine the status of an individual contractor before entering into a PSA.▪ Clarify and articulate the differences between a PSA, POS, and PO, and when each must be used.▪ Increase the dollar thresholds for PSA reviews by DAS, OPM, and the AG's Office.▪ Establish clear review criteria and timelines within DAS, OPM, and the AG's Office.▪ Study the need for additional staff to review PSAs within DAS, OPM, and the AG's Office.
<i>Statutory changes required:</i>	Possibly

Issue No. 2 – Staff Capacity

<i>Current situation:</i>	Some agencies have inadequate staff dedicated to the contracting function. In addition, such contracting staff may not have the skills or experience to perform their duties in an efficient and effective manner.
<i>Problem:</i>	The number and quality of an agency's contracting staff have a direct impact on the contractor selection process, as well as contract negotiation and execution. Too few staff or staff with inadequate skills and experience in contract management may fail to follow the established policies, standards, and procedures ("the rules") or may cause delays in the process due to their inefficiency. Failure to follow "the rules" can result in poorly drafted Requests For Proposals (RFPs), as well as poorly drafted and executed contracts – both of which put the State at risk. Delays may tempt agencies to circumvent the established process or may result in their not obtaining needed services or end products in a timely manner.
<i>Cause of problem:</i>	The PSA contracting process is time-sensitive and time-intensive. While the workload has remained constant, the number of staff dedicated to the contracting process has been reduced in some agencies, in part due to last year's layoffs and the Early Retirement Incentive Program (ERIP). Some agencies have attempted to remedy the situation by transferring staff from other areas within the agency to the contracting function. Transferred staff may not have the experience and training necessary to perform their new duties.
<i>Recommendations for improvement:</i>	<ul style="list-style-type: none">▪ Increase the number of contracting staff, as appropriate.▪ Require agencies to identify those employees responsible for the contracting function.▪ Provide mandatory training in contract management for staff, using a standardized curriculum.▪ Streamline the contracting process to eliminate any redundancies, inefficiencies, or non-value-added steps.▪ Create standardized contracts ("templates") for services or end products procured through PSAs, as appropriate.▪ Create mechanisms, such as a database or report, to promote cooperative purchasing arrangements among agencies.▪ Implement succession planning in all agencies related to the contracting function.
<i>Statutory changes required:</i>	None

Issue No. 3 – Evaluation

Current situation:

Current policies, standards, and procedures address the issue of evaluation in three parts of the PSA process: (1) when determining the need for a PSA; (2) during the contractor selection process; and (3) when evaluating a contractor's performance.

Problem:

(1) Before engaging a contractor to provide a service or end product, agencies are currently required by state statute to evaluate the need for a PSA. If agencies determine that their own employees cannot provide the service or end product, they are required to explore other "low cost" or "no cost" alternatives. Such alternatives include purchasing the service or end product on a cooperative basis with other state agencies or seeking non-compensated assistance from an external source, such as an academic institution or private entity. The extent to which agencies comply with this requirement is unknown. (2) Under certain circumstances, agencies are required to conduct a "competitive negotiation" process to select a contractor. Under competition negotiation, agencies solicit proposals using a Request For Proposals (RFP). The agencies then evaluate proposals submitted in response to the RFP, using criteria established for this purpose. The competitive negotiation process is not standardized across agencies. Moreover, agencies have varying amounts of experience with RFPs and evaluating proposals. As a result, agencies may have limited ability to demonstrate that the procurement process was open, fair, and competitive. (3) Agencies are currently required to evaluate a contractor's performance upon completion of the contract. The form currently used for this purpose requests only minimal information about a contractor and is completed only at the end of the contract term. The extent to which agencies comply with this requirement is unknown. If such an evaluation is done, the information is not routinely shared with other agencies. Not knowing about a contractor's past performance on other PSAs, agencies may make poor choices or hire contractors they already know, thus reducing competition and creating market monopolistic conditions.

Cause of problem:

Current policies, standards, and procedures provide agencies with inadequate guidance on the subject of evaluations. [See Appendix: Other Source Documents, A. *Personal Service Agreements* (2002).] (1) In evaluating the need for a PSA, agencies may not have the in-house expertise to do a "cost-benefit analysis" that would justify engaging an outside contractor. Agencies that enter into PSAs are not required to demonstrate that such an evaluation was done. (2) In evaluating proposals, the current policies, standards, and procedures give agencies little guidance about how to conduct such evaluations. Agencies are not required, for example, to develop an evaluation plan prior to receiving proposals. In the absence of such a requirement, agency staff may not understand the need for such a plan or how to develop one. (3) In terms of evaluating contractors, the current policies, standards, and procedures give agencies little guidance about how to conduct such evaluations. Further, the importance of doing so has not been adequately stressed. Agencies are not currently required to demonstrate that such an evaluation was done.

Recommendations for improvement:

- Provide guidance to agencies on how to evaluate the need for a PSA.
- OPM will issue its revised standards for PSAs. [See Appendix: Other Source Documents, B. *Personal Service Agreements: Standards and Procedures*, DRAFT, June 18, 2004.] Agencies will establish written procedures to implement OPM's revised standards. The revised standards will strengthen the evaluation of proposals.
- Establish an interagency team to review and improve the current form used to evaluate contractor performance.
- Require agencies to complete evaluation forms at mid-term and post-term for all contractors.
- Develop and implement consequences for the failure to complete the required evaluations.
- Create a database for the purpose of sharing contractor evaluations among agencies.

Statutory changes required:

Enact new language under C.G.S. § 4-70e(b) that gives authority to the Executive Financial Officer of the Office of Finance to audit contractor evaluations.

Issue No. 4 – Standardization

<i>Current situation:</i>	State agencies purchase certain types of services and end products over and over again. Each time such purchases are made, agencies must create a new contract, which may be subject to review and approval by the AG's Office. Creating new contracts for repeat purchases, and having these contracts reviewed and approved time and again, results in inefficiencies – i.e., making the entire contracting process less effective and more time consuming than it need be.
<i>Problem:</i>	The lack of uniformity in State contracting means that different agencies contract for the same or similar services or end products in differing ways, with differing results. For example, Agency A may develop a contract for a service or end product and is ultimately successful, while Agency B develops a contract for the same or similar service or end product and is not successful. The difference between success and failure is, at times, due to the quality of the contract. Better contracts may be achieved through greater standardization, especially for repeat purchases. Although an entire contract cannot be standardized, certain sections can be – especially the “boilerplate” language that all state contracts must contain. The lack of such standardization wastes time and staff resources, causes delays, limits productivity, and drives up costs. Moreover, the strength of contract language is tested through use, and the unknown strength of differing contracts increases the risks to the agency and the State. Standardization can also expedite the review and approval of contracts, thereby making the system more efficient. With a more efficient system in place, agencies may be less likely to look for loopholes, alternative procurement mechanisms, or “carve outs” as a means to avoid using PSAs (when required).
<i>Cause of problem:</i>	There is currently no standardized PSA template for repetitive contracts, which means that agencies create contracts in a fractured (unorderly) environment. In addition, when agencies submit their contracts for review and approval, it is not entirely clear what the requirements are or what agencies must do to satisfy them. Agencies do not receive consistent legal advice and, as a result, one agency's contracts may be handled differently than another's.
<i>Recommendations for improvement:</i>	<ul style="list-style-type: none">▪ Create an interagency committee to (1) identify repetitive contract areas by services and end products and (2) create standardized templates for these areas. Create a central repository for such templates. Mandate the statewide use of the templates, where applicable.▪ For contract areas not subject to repetitive contracting, develop and implement a “best practices” website where agencies can share approved and tested contract language.▪ Create a “checklist” of what the AG's Office requires to approve a PSA, including, but not limited to: start and completion dates, executive orders, corporate resolutions when applicable, statutory authority for contract.▪ Create a list of waivers and the actual waivers that can be used for out-of-state entities not subject to all of the executive orders in effect.
<i>Statutory changes required:</i>	None

Issue No. 5 – Availability and Use of Data

<i>Current situation:</i>	Agencies are statutorily required to report to OPM, on a semi-annual basis, on their use of PSAs. The data elements include the name of the contractor, a description of the services provided, the term and cost of the contract, the method used to select the contractor, and the amount of the contract. Data collected by OPM is compiled and reported to the legislature on an annual basis. It is unclear what other uses OPM, the state agencies, or the legislature make of the PSA data.
<i>Problem:</i>	Neither the data collected from agencies nor the reports generated by OPM are immediately available to other state agencies or the public. This is a missed opportunity, as the PSA data can provide a “window” – that is, a means of sharing and obtaining information – on how the State is conducting its business. Having access to the PSA data can potentially help other agencies in making their contracting decisions about particular contractors. It can also provide the public with information about the agencies’ use of contractors and provide insights into the openness and competitiveness of their contracting activities.
<i>Cause of problem:</i>	While current statutes require agencies to report on their PSA use, and also require OPM to report to the legislature on such use, the data are not used in any routine or systematic way. The current method of collecting data from agencies is burdensome on the agencies and OPM. Agencies must manually enter the information on the spreadsheet provided by OPM. Once collected, OPM compiles the data and prints out a paper report, which is then transmitted to the legislature with a cover letter. The agencies also receive a report, but it is summary in nature (and does not have the level of detail in the report sent to the legislature). It is unknown whether any agency or the legislature has requested copies of the spreadsheets for informational or analytical purposes.
<i>Recommendations for improvement:</i>	<ul style="list-style-type: none">▪ Redesign the coding structures within CORE-CT (specifically, the contracts and projects modules) to allow data collection and reporting on PSAs through this new, centralized financial system. NOTE: The contracts and projects modules are currently in the design phase and will be online in July 2006.▪ Establish responsibility within OPM’s Office of Finance to audit the PSA data reported to OPM by agencies.▪ Use technology to publish PSA data and other information (such as RFPs and contracts) in a centralized location on the State’s website.▪ Require state agencies to report all PSA activity to OPM, including those having a cost of more than \$50,000 or a term of more than one year.
<i>Statutory changes required:</i>	<p>Enact new language under C.G.S. § 4-70e(b) that gives authority to the Executive Financial Officer of the Office of Finance to audit data reported to OPM from state agencies.</p> <p>Enact new language under C.G.S. § 4-216 requiring agencies to report semi-annually to OPM all PSAs having a cost of more than \$50,000 or a term of more than one year.</p>

Issue No. 6 – Contract Committee

<i>Current situation:</i>	Various individuals have recently proposed the creation of an oversight board to review and approve all “large State contracts.”
<i>Problem:</i>	The justification for the creation of such an oversight board has not been adequately made. The threshold for review and approval of “large state contracts” has not been defined. Nor have the powers, authority, duties, responsibilities, or resources of such a board been defined.
<i>Cause of problem:</i>	The stated purpose of the board is to prevent patronage, corruption, ethics breaches, and poorly drafted contracts that put the State’s interests at risk. It has not been demonstrated that the additional oversight and scrutiny provided by such a board can actually achieve its stated purpose. An oversight board cannot and should not serve as substitute for competent and well-trained agency staff having legal, programmatic, financial, and state contracting skills.
<i>Recommendations for improvement:</i>	<p>To reform the current contracting system, first implement the recommendations for Issues No. 1 – 5.</p> <p>Should the Task Force ultimately decide that an oversight board is necessary, the Working Group makes the following recommendations:</p> <ul style="list-style-type: none">▪ Clearly state and describe the authority, role, and responsibilities of the oversight board so that it can be designed and implemented to greatest effect.▪ Establish a \$5.0 million threshold for the review and approval of PSAs.▪ Establish the minimum required qualifications of board members, including, but not limited to, substantial knowledge and experience with (a) procurement; (b) request for proposals; (c) contract negotiation; (d) contract drafting; (e) contract law or business law; (f) business insurance and bonding; (g) contract risk assessment; (h) business ethics; and (i) federal and state statutes, policies, and regulations.
<i>Statutory changes required:</i>	Yes

Appendix

Bibliography:

None

List of working group members and submissions:

Marc S. Ryan (chair), Office of Policy and Management
Gareth Bye, Esq. (designee), Office of Policy and Management
Senator Andrew Roraback, CT General Assembly
John Pavia, Esq., R. R. Donnelly and Sons Co.
Valerie Joyner, Department of Transportation
James Neil, Department of Administrative Services

- *Working Group Comments*, Compiled on August 12, 2004
 - Department of Transportation, *FAX to Gareth Bye*, August 9, 2004
[Contractor Performance Evaluation Rating]
 - Office of Policy and Management, *Attachment A*, undated
[OPM's standard contract language for PSAs]
-

List of user agencies and submissions:

Tom Baziak, Office of the Chief Medical Examiner
Kathy Brennan, Department of Social Services
John Coroso, State Department of Education
Wanda Dupuy, Office of Policy and Management
Adam Dworkin, Intern, Office of Policy and Management
Elise Gaulin-Kremer, Department of Public Health
Anthony Lazzaro, Office of Policy and Management
Richard Lynch, Office of the Attorney General
Gale Mattison, Office of Policy and Management
Rosemary McGovern, Office of the Attorney General
Linda Yelmini, Office of Labor Relations, Office of Policy and Management

- *User Agency Comments*, Compiled on August 12, 2004
-

List of other attendees and submissions:

Annmarie Cooke, Department of Children and Families
Vicky Greene, CT Community Colleges
Rick Melita, CT State Employees Association
Ann Nichols, Department of Public Works
Dennis O'Brien, Sullivan and LeShane
Patrice Peterson, CT State Employees Association
Christine Trimble, Department of Mental Retardation

- *Other Attendees Comments*, Compiled on August 12, 2004
-

Previous reports or assessments:

- CT General Assembly, Legislative Program Review and Investigations Committee, "Executive Summary," *Use of Professional Consultants by State Agencies*, January 1989
- CT General Assembly, Legislative Program Review and Investigations Committee, "Executive Summary," *Personal Service Agreements*, December 1992

Benchmarking studies:

None

Agency reports:

None

Areas for further study and recommendation:

- *Labor Implications and Workplace Issues*

The new ethics requirements under Executive Order No. 1 and P.A. 04-245 will have implications for employee relations and work rules.

Evaluation committees for the selection of a contractor through an RFP process are staffed by various employees within an agency to offer expertise on (e.g.) programmatic, fiscal, and information technology issues. This expertise is needed to ensure the selection of the most qualified bidder. Participation on an evaluation committee may be outside an employee's job description (regular duties). Executive Order No. 1 and PA 04-245 would require such individuals to submit an Annual Statement of Financial Interests. This requirement may lead employees to decline participation on an evaluation committee in order to avoid the filing requirement. This could negatively impact the composition of the evaluation committee and the final outcome of the process (contractor selection).

Possible solutions to this problem include: (1) gathering the same ethical assurances as contained on the statement through other means, such as standardized ethics and confidentiality statements; (2) establishing more definitive guidelines concerning which employees must file a statement of financial interests; or (3) redefining the duties of agency personnel to include participation in RFP evaluations and the procurement process.

- *Exceptions to the Current Process ("Carve Outs")*

There are several "carve outs" that are excluded from current PSA process (e.g., DOIT, DOT, DPW, UConn). Contracting by these agencies does not conform.

Such exceptions create a barrier to standardization with respect to the PSA process. The use of standardized processes reduces the time and resources needed to procure and contract for services or end products. Further, standardization enables the State to learn from experience and develop "best practices".

Possible solutions to this problem include: (1) Reviewing the history behind the exceptions to determine whether there is value to their continued existence or (2) ensuring that all contracts of that type are handled through an exception process.

- *Department of Economic and Community Development Contracts*

Current situation:

The Office of the Attorney General ("OAG") has, via e-mail, imposed a requirement upon the Department of Economic and Community Development ("DECD") that the agency include a factual/legal analysis explaining the project and why it is not a public work within the meaning of that term as used in section 2(4) of P.A. 04-245 when the agency sends a grant or loan agreement to its office for review and approval, despite an informal opinion from the OAG dated March 10, 1998, that DECD grants/loans are not public works contracts.

There has been no study of the OAG's position, nor was the Task Force ("TF") asked to discuss or consider the grouping of financial assistance agreements. The Governor asked the TF to examine the entire scope of state purchasing, including the awarding of contracts for construction, leases, personal services, property management and the purchase of goods and equipment. These are the same types of contracts that the legislature found to be subject to P.A. 04-245.

Problem:

DECD provides financial assistance in the form of low interest loans, loan guarantees, tax credits, or grants to nonprofit organizations, developers, businesses, and municipalities for a variety of purposes. DECD financial assistance agreements are not required by law to be awarded on a competitive basis (i.e. no RFP process or bidding), and they are not, in practice, awarded that way. The contracts for assistance are not "public works contracts" as that term is generally understood, because they are financing agreements. The recipients' use of this financing may range from housing construction or refurbishing to repairing community facilities to creating museums, parks, theaters and cultural centers to purchasing new machinery or equipment, acquiring real property, improving infrastructure, or renovating or expanding facilities. If the funding is for property

improvements, the funding recipient, not DECD, directly contracts for construction, repair, or rehabilitation; further, the property is not generally open to the public as it is privately owned, not owned by a governmental entity (except funding to municipalities), and no governmental business is conducted on the property.

Cause of problem:

The legislature determined that not all contracts are subject to P.A. 04-245. Where a statute does not define a term, it is appropriate to focus upon its common understanding as expressed in the law and upon its dictionary meaning. Nowhere in DECD's statutory authority is the term "public work" used to describe its awards of or contracts for financial assistance. Further, P.A. 04-245 imposed no requirement that an agency provide the OAG a written opinion about every contract that is not subject to the Act.

Recommendations for improvement:

- (1) Any policy recommendations concerning agencies' processes for financial assistance contracts be explored by the TF at a later date, with input from affected agencies, since policy recommendations such as the one made by the AG in his testimony on August 2, 2004 go well beyond the scope of the TF and P.A. 04-245.
- (2) Meanwhile, the TF should urge the OAG not to impose any policy requirements that go beyond the law without the proper review and consideration of the General Assembly, with input from the affected agencies.

Statutory change required:

None

▪ *Contracts for Purchase of Human Services (POS)*

Current situation:

Six human service agencies extensively utilize POS contracts to purchase client services from private providers. A POS contract is an agreement between a state agency and an organization for the purchase of direct human services to clients. The contract generally is not used for the sole purpose of purchasing administrative or clerical services, material goods, training and consulting services. POS contracts are used to contract with partnerships as well as a corporation but cannot be used to contract with individuals.

CGS 4-70b assigns overall responsibility for developing standard policies and procedures for the purchase of human services to the Office of Policy and Management. In collaboration with six state agencies, the Office of the Attorney General and representatives of the nonprofit provider community, OPM has developed a standard contracting format, common and amendment process. An inter-agency work group continues to explore "best practices" and formulate recommendations to streamline and standardize, to the extent possible, agency policies and procedures for obtaining, managing and evaluating the quality and cost effectiveness of human services purchased from private providers. The Secretary of OPM

reports biennially to the General Assembly on the status of the POS system. The last report was submitted in July 2003.

Problem:

There is a distinction that needs to be made between personal service agreements (PSAs) and purchase of service (POS) contracts. The PSA format is used for purchases per CGS 4-212 through 4-219 and, by definition, excludes all POS contracts.

Cause of problem:

While the same agency may use both PSAs and POS contracts, their formats and processes are different.

Recommendations for improvement:

- (1) Specifically exclude POS contracts from any recommended changes to PSA contracts.

Statutory changes required:

None

Other source documents:

- A. Office of Policy and Management, *Personal Service Agreements*, September 1, 2002
- B. Office of Policy and Management, *Personal Service Agreements: Standards and Procedures*, DRAFT, June 18, 2004.
- C. Connecticut General Statutes, Title 4, Chapter 55a, Part II, Sections 212 thru 219, inclusive

Attachments

- *Agenda*, August 5, 2004
- *Preliminary Issues List*, August 5, 2004
- *Brainstorming Issues List*, August 5, 2004
- *Meeting Summary*, August 5, 2004
- *Revised Issues List*, August 6, 2004
- *Agenda*, August 11, 2004
- *Meeting Summary*, August 11, 2004